

XXXXXX AGENCY

17 November 1947

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Mr. Sevellon Brown, 3rd
Assistant to the Editor
The Providence Journal and The Evening Bulletin
Providence 2, R. I.

Dear Mr. Brown:

I appreciated your letter inclosing the various clippings and the frank statements concerning your views of the handling of the "security risk" problem by the Central Intelligence Agency. I shall try to be equally frank and forward you this information for your off-the-record guidance.

As you say, my sincere belief that CIA must retain as much anonymity as possible has prevented public rebuttal of charges of unfairness in these cases. Further, the details of such a rebuttal are most difficult to make without compromising either the investigative sources of information or the identity of the employee.

I have carefully studied your editorial, and I admit that, based on the information available to the Bulletin and to your Washington correspondent, I cannot say that it is unfair. It seems to me that you grant us the right of "summary" dismissal but sincerely question the administrative procedure involved. Again, I feel the fact that, granting the right of such summary dismissal, you suggest that disloyal employees could best be handled by "easing their exit from the service", is not incongruous from your present perspective.

To clarify this situation, let me give you a brief history of this problem and some factual information. We certainly do not claim immunity from error and, as you will see, we have continually tried to improve the procedure in these cases.

First, here is the history. CIQ commenced its real growth about July 1946. A high security standard was established and all new applicants since have been very carefully screened from both a security and personnel basis and, of course, such screening is accomplished before their acceptance for employment. These high standards have more than paid dividends and to date there has been only one questionable employee so recruited brought before the Review Board. However, it was in November and December 1946 that our troubles started. We were forced to take over in toto both the functions and personnel of two wartime agencies; these were the FBIS and the Washington Document Center. Automatically, their personnel became CIQ employees with

DOCUMENT NO. 48
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the same rights and privileges of other employees who had been so carefully screened. They were subject to right of transfer to other intelligence positions in the agency to which fitted, and were entitled to be regarded by the public and by other government agencies as bonafide CIG personnel.

The Washington Document Center was a joint enterprise of the War and Navy Departments and had been screened on a wartime basis. The FBIS, organized under FCS, and transferred to the War Department in the fall of 1945 was an orphan whose personnel had never been security investigated. It is a fact that its reputation in Washington, whether justified or not, was notorious. The Civil Service Commission was very disturbed about it, and the Army G-2 had conducted an administrative investigation of it. Congress was howling.

Painstakingly, over a period of many months, CIG initiated individual security investigations and further conducted personnel and security inquiries into the unit as a whole. During this time, we were confronted with repeated accusations by co-employees and by members of Congress against many members of FBIS, now FBIB. It soon became apparent from our investigations that, first, there existed a very unhealthy situation in this branch from the management and administrative point of view and that, secondly, there did exist a small group of people whose loyalty, trustworthiness, discretion, or character were subject to definite doubt. On the other hand, this full investigation disclosed that about 80% of the persons who had been accused by Congressmen and co-employees were not in fact security risks.

We proceeded to clean up the administrative and management situation quietly and without fuss, as the weak points were discovered. In a very few cases, we did bring pressure for resignations on persons regarded as obviously rotten security risks. Other persons, against whom there were not then nor have there appeared any grounds for accusation, resigned out of sheer desperation at the management situation. Still others were asked to resign due to their poor administrative ability which was such a contributing cause to the whole situation.

Please remember that all this was at a time when the CIA had no authority to "terminate employment in the interests of the U.S."

Finally, we completed all these investigations and about the same time received the authority to terminate employment which I sincerely believe must be given this agency.

Now for the procedure to be followed. Here is what we did. I felt that I could not take action in accordance with the provisions of the National Security Act until I had taken my oath of office, which I did on 26 September 1947. Prior to that time, and in anticipation thereof, I published a memorandum on 31 July to all personnel (Inclosure 1, attached), quoting the applicable paragraph of the law, and setting up an Employment Review Board to provide an impartial review and to advise me in the exercise of this discretionary power. During the period 31 July until 26 September my security

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division studied all cases of present employees whose investigations appeared to indicate they might not meet CIA standards. Furthermore, reinvestigations of doubtful cases had been ordered even prior to that time. Out of approximately forty doubtful cases, the security division weeded out all but the relatively few cases which were later brought before the Employment Review Board.

I further issued the following instructions before the Board met:

(1) All persons would be permitted to appear in person before the Board; or could submit a written statement; or both.

(2) All persons were permitted to resign without prejudice either before coming before the Board, or after their appearance before it. I did not allow employees to resign without prejudice after I had personally ruled on the case.

(3) I did not allow employees to appear with counsel in that I still feel that the action of the Board is an administrative hearing, does not in any sense constitute a Loyalty Board, and was merely to recommend to me the exercise of authority given solely to me by the Congress. I did grant a personal interview to an attorney of two of these people who so requested it.

Perhaps our major error at this point, as I look back now, was the fact that we suspended these employees on a leave without pay basis. We felt they should not be working in the shop until the matter had been cleared up, either one way or the other, but in any event, I have since revised this provision and employees will be put on regular leave pending disposition of their cases.

The number of employees brought before the Board, as reported in the press, is considerably in error, and of those appearing, either the Board or myself, continued approximately fifty per cent with CIA.

I feel that this retention of almost fifty per cent of the employees brought before the Board points definitely to the fairness and impartiality of the Board and to my own desire to act justly. Please remember that in most of these cases there was extensive derogatory information in the investigative files of government agencies on these people. In addition, most of them had been the target of repeated accusation by some of their own co-employees. As I said, my security division did weed out many more than were put before the Board, but in justice to both clearing the records of the employees and in protection to the agency, I feel that we do not admit error or faulty administrative procedure when we subject a difficult case to an impartial review board and then clear the subject thereof.

Further, at this point I wish to go on the record as saying that no person was put before the Board as a result of Congressional pressure. My security division received direct accusations against 17 employees of FBIB from a certain Congressional Committee. Of these 17 persons, and only as a result of full investigations and reinvestigations, four were put before our Board. One of these four was retained as a result of the Board's recommendation and my decision.

The Board, over the period of its meetings and on its own recommendation, changed and improved its procedures. (See Inclosure 2 which added members to the Board and more fully explained the procedure.)

The procedure at the hearings can be summarized as follows:

- (1) Chairman of the Board read the pertinent paragraphs of the law.
- (2) Carefully explained that the Board had no power of decision but was merely to recommend action to the Director.
- (3) Explained to employee that he or she was not under charges and this was not a Loyalty Board.
- (4) Explained that the employee had been brought before the Board on the grounds that he did not meet all the following standards (which were read):
 - "a. Of excellent character who are citizens of the U.S. and who have no member of the immediate family or next of kin thereof subject to a foreign power;
 - b. Whose loyalty, integrity, discretion and trustworthiness are unquestioned;
 - c. Whose financial status and habits are such as to render unlikely their succumbing to any temptation arising from those sources."
- (5) Employee is then asked to make any statement he desires and is informed that he may also be questioned by the Board in order to bring out any particulars as to which standards mentioned might be in question.
- (6) Upon conclusion of the questioning the Chairman again explained that only the Director made the decision, that in event the action was unfavorable the only notice or information sent the Civil Service Commission would be that employee was terminated under the provisions of Public Law 253, and that neither the investigative file nor other information would be made available to other government agencies.

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(7) Chairman further explained that the employee could still resign up to the time the Director took formal action, but that the employee must feel that in so doing it was a voluntary action and that the Director might and sometimes did reverse the recommendation of the Board

The percentage score to date, of those brought before the Board, is as follows:

25 per cent terminated under Public Law 253

25 per cent resigned

50 per cent retained.

In several cases I have reversed the Board in favor of the employee. I mention this not to attempt to show leniency inasmuch as I will not relax our standards, but to bring out that ultimately these cases must be and are my own decision and my own personal responsibility. The Board is definitely not a "drum-head courtmartial," and have recommended retention on their own in 25% of the cases. Also, there is no routine or haphazard procedure in these cases. I personally have gone over each case presented painstakingly, thoroughly, and with much soul-searching. I can assure you that it is not a pleasant thing to do.

So much for the Board at this point. Let me clear up a few more points for you. Why, you say, the security worry over FBIB? The answer is just this. CIA is a highly integrated and centralized agency. For example, to save money and for efficiency, I have had to combine the former FBIB reproduction unit with the central reproduction unit which handles all classified material, much of it Secret and Top Secret. Further, in this growing agency I owe an obligation to the great percentage of FBIB employees themselves who are of unquestioned reputation and highly qualified, to be able to maintain their own standards and to be privileged to follow an intelligence career in either FBIB or in other offices in which they can improve their careers. Again, since the war, there are confidential aspects to FBIB. We receive monitoring targets both by area and by type from all the intelligence agencies in town which objectives in themselves are confidential as they definitely point up the trend of current intelligence operations. During the war, this condition did not exist, as international affiliations were clearly defined. In other words, hesitating to use the expression "Cold War," I say that the delicate and sensitive international situation has definitely put Confidential and at times Secret aspects into the operation of FBIB.

Another point, are we conducting a witch hunt? We have studiously avoided this, although I admit our non-publicity policy renders us vulnerable to the accusation. I think the fact I mentioned that we have withstood so much pressure to take action against many more employees bears this out.

These proceedings have not been directed against any particular ideology. There were active Communist sympathizers, but there were also persons whose loyalty definitely leaned to the Japanese or the Nazis in the early days of the war. One person had been closely associated with a notorious foreign agent (not Russian) but upon his own evidence before the Board and upon corroborative investigation by the Board, the reasons were cleared up and justified and the person was retained. Another person had been convicted of a felony, denied same, but the police record was unmistakably correct. We cannot afford to have such persons in CIA, and he was terminated.

Perhaps there is a final point I should make. That is that I do not believe accurate comparisons can be made on a numerical basis of security actions by CIA and by the Army and Navy Departments or within the Veterans Administration. The reason is that CIA is solely engaged in intelligence operations; that is our only purpose of existence. We are small compared with the total number of personnel in the Pentagon, but we are much larger than the intelligence agencies of the Army and Air Force located in Washington. Practically every employee is required daily to handle or have access to classified information.

I will not go into the case of David G. mentioned by your correspondent. He had been engaged in editorial work, but I give you my unequivocal opinion that one look at his complete file and his character record and a one-minute interview with him would convince you that there could be no place for him on the Journal or the Bulletin.

As I have tried to point out in this now rather lengthy letter, I do feel that I have done my utmost to be fair, in these cases, both to the employees and the government. There has been little or no precedent in these actions, and I do not claim a perfect score. I find myself perhaps in the position in which I am accused of putting these few employees under charges with no opportunity to refute them. My only compensation is the knowledge that the vast bulk of CIA employees now stand as the most carefully screened, loyal and enthusiastic group of Americans in the Government. I do want to keep them that way.

Thank you for your interest in us which has always been an aid to our success and which I have always personally esteemed. If you should like to drop in on me, I shall always be glad to see you. Call or write me a line so I may be sure to be here.

Sincerely,

8 - Via air 11/17
R. H. HILLENKOTTER
Rear Admiral, USN
Director of Central Intelligence

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Incls: Memo 53 31 Jul 47 "Employment Review Board"
Adm Instr 20-19 10 Oct 47 " " " & Procedures
" " 20-19 14 Nov 47 " " " "

3 Incls

Drafted by I&S

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Read's concerned in by General Counsel (Hastings) 11/17